

REMARKS

Claims 133 – 139 and 152 – 159 are currently pending in the Application. Independent claims 133, 134, 153 and 155 have been amended to address the new grounds of rejection entered by the board and to correct formal matters noted by the Applicants. Support for the amendments to claims 133, 134, 153 and 155 may be found, for example, in the specification at paragraphs 92 – 93, 135, 165 – 178 and 233 – 239 and Fig. 3. Accordingly, no new matter has been added to the application by the foregoing amendments.

References made herein to the “specification” refer to the Substitute Specification submitted with the Declaration of Douglas J. Ryder on July 25, 2003.

Decision on Appeal

Applicants and the undersigned thank the Board of Patent Appeals and Interferences (hereinafter “the Board”) for reversing Examiner’s rejections of claims 133 – 139 and 152 – 159 under 35 U.S.C. §103 in a Decision on Appeal dated August 27, 2010 (“Decision”).

Applicants recognize the Board’s new ground of rejection entered under 35 U.S.C. §101 and hereby elect to reopen prosecution pursuant to 37 C.F.R. §41.50(b). As described below, Applicants respectfully submit that the claims as amended herein overcome the Board’s rejection under §101, and, therefore, no request for rehearing is being made by Applicants, either explicitly or implicitly. (*See* MPEP 1214.01). Applicants also submit that the amendments submitted herewith are “appropriate” with respect to the claims rejected by the Board, since the claims as amended are directed to the same subject matter as the claims pending before the Board and have been amended to “avoid the reasons adduced by the Board.” (*Id.*). Additionally, Applicants note that the “new ground of rejection raised by the Board does not reopen prosecution except as to the subject matter to which the new rejection was applied.” (*Id.*). As such, the following remarks are directed only towards the new rejection raised by the Board.

Claim Rejection – § 101

Claims 133 – 139 and 152 – 159 have been rejected by the Board under 35 U.S.C. § 101 “because they claim an abstract idea.” (Decision, p. 8). Applicants respectfully traverse this rejection.

The Supreme Court notes that the claims at issue in *Bilski* describe “an unpatentable abstract idea.” *Bilski v. Kappos*, (*Supreme Court* 2010) (08-964). (emphasis added). The Court noted that it “need not define further what constitutes a patentable ‘process,’ beyond pointing to the definition of that term provided in §100(b). *Id.* 35 U.S.C. § 100(b) defines a process as “process, art, or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material.” Applicants respectfully submit that independent claims 133 and 153, as amended, satisfy this broad definition and recite neither an abstract idea nor a concept reduced to a mathematical formula. Quite to the contrary, claims 133 and 153 each recite a concrete process for a computer to identify a target consumer and to transmit an advertisement to the targeted consumer.

Independent claim 133, as amended, recites:

A computer implemented method of identifying at least one consumer to be the target of an advertisement, the method comprising:

- (a) accessing, by a computer, a plurality of consumer transaction records corresponding to a plurality of consumers and accessing demographic information records corresponding to the plurality of consumers;
- (b) retrieving heuristic rules that associate consumer transactions with consumer characteristics, wherein said heuristic rules have been pre-defined prior to accessing said plurality of consumer transaction records and wherein said pre-defined heuristic rules have been developed based on at least one psychological or sociological study;
- (c) retrieving at least one target consumer characteristic from an advertiser that has been selected at the discretion of the advertiser;

- (d) applying said pre-defined heuristic rules to said plurality of consumer transaction records to generate inferred transaction characteristics of the plurality of consumers;
- (e) generating inferred consumer characteristics of the plurality of consumers by associating the inferred transaction characteristics with the demographic information records;
- (f) selecting at least one target consumer from the plurality of consumers by correlating the inferred consumer characteristics with the at least one target consumer characteristic selected at the discretion of the advertiser; and
- (g) transmitting an advertisement associated with the advertiser to the at least one target consumer.

Initially, the Board notes that the claimed “process provides nothing more than vague instructions in how to conduct a business, principally how to determine if a consumer is likely to be interested in an advertisers advertisements.” (Decision on Appeal, page 6). Applicants note that claim 133 as pending before the Board or as currently amended is not a business method claim. The Court in *Bilski* recognizes that defining a business method patent is difficult. (See *Bilski* at p. 10, quoting Hall, Business and Financial Method Patents, Innovation, and Policy, 56 Scottish J. Pol. Econ. 443, 445 (2009) “there is no precise definition of ... business method patents.”). What is clear, however, is that a business method patent is a patent for doing business. Claim 133 is not a claim for doing business, but rather recites steps for a computer to identify a target consumer and to transmit an advertisement to the target consumer.

Furthermore, the method of claim 133 is not vague or abstract, nor does it attempt to determine if a consumer is likely to be interested in an advertiser’s advertisements. Rather claim 133 recites concrete steps to transmit advertisements in a targeted manner. Although Applicants respectfully disagree that the concepts of “determining applicability of an advertisement” is a vague or abstract notion, such terminology has been removed from the claim in order to advance prosecution. Applicants note that *Bilski* concludes that “an **application** of a law of nature or mathematical formula to a known structure or

process may well be deserving of patent protection.” (*Bilski* quoting *Diamond v. Diehr*, 450 U.S. 175, 197 (1981) emphasis in original). As such, to the extent that selecting consumers to receive targeted advertising is a “law of nature or mathematical formula,” applying that general rule in the concrete manner of amended claim 133 is still patentable under 35 U.S.C. § 101.

The Board continues that “the subject matter of claim 133 is mere statements of the general concept of determining if a consumer is likely to be interested in an advertiser’s advertisements. The vague instructions listed in the claim are disembodied and do no more than instruct how business should be conducted; that is, to determine if a consumer is likely to be interested in an advertiser’s advertisements.” Although not necessarily agreeing with the Board, claim 133, as amended, no longer can be interpreted as such. Claim 133 does not instruct how business should be conducted, but rather provides a concrete method for a computer to target consumers and transmit an advertisement. Rather than “determining if a consumer is likely to be interested in an advertiser’s advertisements,” the claim involves a specific concept of “identifying at least one consumer to be the target of an advertisement.” Rather than “determining applicability,” the claim recites a concrete step of “selecting at least one target consumer.” Thought of another way, the Board interprets the claim pending before the Board as covering “any use of the concept of determining if a consumer is likely to be interested in an advertisement,” whereas the claim as amended herein is not concerned with determining if a consumer is likely to be interested in an advertisement, but instead positively recites selecting a consumer to which to transmit an advertisement (a concept that cannot be considered to be abstract).

The Board also notes that “the instructions could be performed by any machine, existing or future-devised ... could be accomplished by human activity alone, including through mental processes.” (Decision, pages 6 – 7). Relying on *Gottschalk v. Benson*, the Board notes that this could “wholly pre-empt the [determining if consumer is likely to be interested in an advertiser’s advertisement] and in practical effect would be a patent on the [concept] itself.” (Decision, page 7). However, the subject matter of claim 133 as amended is far from any pre-emption or accomplishment by a human or mental process.

The claim does not simply determine if consumers are “likely to be interested in an advertisement.” Rather, as discussed above, the method of claim 133 selects a target consumer to which to transmit an advertisement. Additionally, the method of claim 133 cannot be accomplished by a human nor accomplished via a mental process. As such, the claim does not pre-empt an entire broad concept.

In footnote 3 of the Decision the Board that “the ‘type’ of information that the claimed process uses limit the claimed subject matter only in terms of the content of the information. They are properly characterized as nonfunctional descriptive material,” and are “patentably inconsequential.” The Board states that, “we see no reason why recitations of nonfunctional descriptive material should not be similarly treated as inconsequential in the process of determining whether claimed subject matter is statutory under 35 U.S.C. §101.” (Decision, page 5). Although not germane to Applicants, arguments set forth herein on the issue of 35 U.S.C. §101 presented here, Applicants respectfully disagree with the Board’s characterization of the claimed concepts. Furthermore, Applicants respectfully submit that reliance on 35 U.S.C. §103 jurisprudence for 35 U.S.C. §101 decisions is improper.

Finally, Applicants have amended claim 133 to recite a “computer implemented method,” that explicitly includes “a computer” in the body of the claim. The Board notes that a factor “relevant in this case [is] the lack of recitations in the claims to a machine ...” (Decision, page 6). The Supreme Court notes that the “machine or transformation test” being used as “the sole test ... violates” the patent statutes. (*Bilski* at 6). As such, a claim’s failure to pass this test may not be used as the basis for a 35 U.S.C. §101 rejection. The Court does note, however that this test may be a “useful tool” in determining patent eligibility. In the instant case, amended claim 133 passes this test. The claim explicitly recites a “machine,” as the claimed method is performed by a computer.

Claim 153 has been amended to recite similar elements as claim 133 and is believed to be allowable for the same reasons. Dependent claims 134 – 139, 152 and 154 – 159 are believed to be allowable based on their dependency of claims 133 and 153, respectively.

In view of the foregoing amendments and remarks, Applicants respectfully submit that the new rejection entered by the Board has been overcome. Reconsideration and withdrawal of the Board's 35 U.S.C. §101 rejection of claims 133 -- 139 and 152 -- 159 are respectfully requested.

Moreover, in view of the Board's reversal of the Examiner's prior art rejection(s), and in the absence of any other new ground of rejection entered by the Board, Applicants respectfully submit that the presently pending claims are in condition for allowance.

Conclusion

In view of the foregoing amendments and remarks, Applicants respectfully submit that the Board's new grounds for rejection has been overcome, and that the application, including claims 133 -- 139 and 152 -- 159, is in condition for allowance. Reconsideration and withdrawal of the rejections and an early Notice of Allowance are respectfully requested.

Respectfully submitted,

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